HAMILTON CLARK

Financing Special Situations

Strategies for EnergyTech Companies

NREL Industrial Growth Forum

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San Francisco

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HamiltonClark is a member of the NASD and SIPC

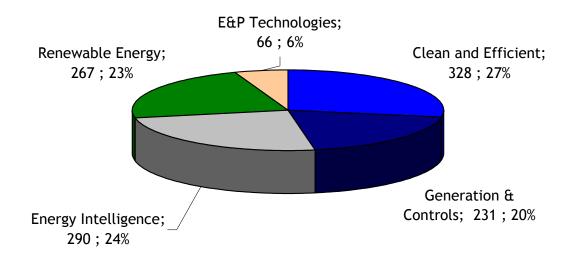
HamiltonClark

- Merchant Bank for energy technology companies. Member NASD
- Focus on energy technologies
- Financial Advisor for US companies on AiM
- Current/recent engagements:

Private Equity	M&A	Financial Advisory	
Deep repository for spent nuclear fuel (C\$25 million)	Hydrostatically driven forestry products	Oil and gas pipeline leak detection	
Independent suspensions – mobility systems (€11 million)	Outsourced services for oil and gas		
	Continuously variable transmission technology		

HamiltonClark EnergyTech DatabaseTM

- Approximately 1,200 energy technology companies in North America and Europe
- About 900 seeking about \$7 billion



HamiltonClark EnergyTech Database™

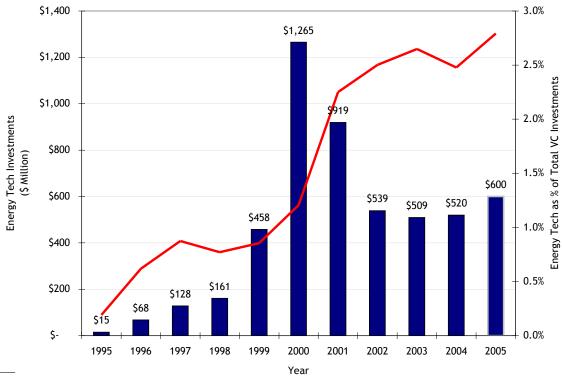
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Energy Technology Capital

- Approximately 100 serious private equity and strategic investors in the sector
- We estimate that about \$750 million will be invested in the sector in 2006

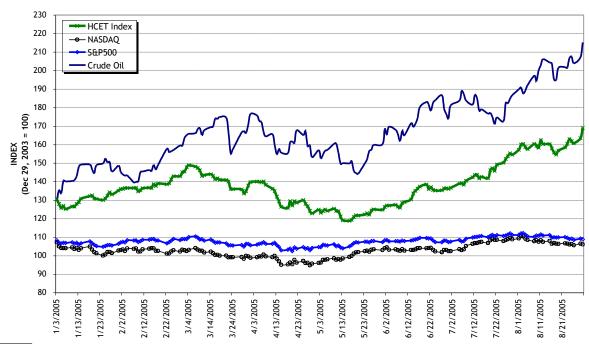




HamiltonClark EnergyTech IndexTM

- ◆ 69 companies in the Index
- Eight month 2005 performance up 30%
- Since inception in January 2004, up 69%

HAMILTON CLARK ENERGYTECH INDEXTM
(As of Aug 30, 2005)



Investors Look for Value Propositions

- Clear advantage for customers
- Who are you selling to: utility, distributor, end customer
- What is the beachhead market
- Path to lower cost through design change, volume
- Company versus technology versus project
- Management, management, management

Financing Strategies

- Private equity
- Strategic investor
- Hedge fund
- London AiM financing

Private Equity

- ◆ SEC exemption under Regulation D, Section 4(2)
- Private Placement Memorandum
- Financial Projections
- Investor Presentation
- Use of a Placement Agent

Strategic Investor

- SEC exemption under Regulation D, Section 4(2)
- Private Placement Memorandum
- Financial Projections
- Investor Presentation
- Commercial Agreement
- Possibility of an acquisition instead of an investment
- Use of a Placement Agent

Hedge Fund

- Suited to larger investments for mature companies
- Used to seeing PIPE transactions from public companies
- Seeking companies that are soon to be public
- SEC exemption under Regulation D, Section 4(2)
- Private Placement Memorandum
- Projections
- Financing Presentation
- Use of a Placement Agent

AiM Financing

- Alternative Investment Market of London Stock Exchange
- 35 energy tech companies listed
- ◆ £450 million raised, £1.5 billion market cap
- Biofuels Corp.: £48 million financing, £63 million market cap
- ◆ D1 Oils: £13 million financing, £90 million market cap
- Clipper: £75 million financing, £186 million market cap
- Financing structures similar to project finance

AiM Financing Process

- Financial advisor retained to assist US company understand timing, costs, procedures and advise Board
- Financing Presentation and projections
- Interview Nominated Advisors/Brokers in London
- Interview Lawyers, Accountants, IR/PR firms in London
- Choose Nomad/Broker
- Seek Letter of Intent for Broker with proposed pre-money valuation, time and responsibility schedule
- Usually takes four months from date of Broker selection

Time and Responsibility Schedule

Strategy and Planning ——————————————————————————————————		Execution - Pvt. Equity, M&A			
Weeks 1-2	Weeks 3-4	Weeks 5-8	Weeks 9-10	Weeks 11 - 13	Weeks 14-16
Strategy and Consulting	Documentation	Marketing	On-site Due Diligence	Negotiations	Closing
 Organizational meetings 	- Private Placement Memorandum	 Seek lead and participating investors 	- Investors visit Company	 Negotiate term sheet with lead investor(s) 	- Negotiate legal documents
Due diligenceCalls to customers	Financing presentationInvestment	- Distribute financing documents	- Follow ups with customers,	 Board authorization of final terms 	 Document distribution and closing schedules
Develop value driversBeachhead marketing	Summary - Technology assessment	 Road show meetings with investors 	partners	- Finalize syndicate	- Pre-closing issues negotiated
- Cost reduction plan	- Financial model	 Assist investors in due diligence 			
Technology reviewIP review	 Board approval to proceed 	- Update Board on progress			
- Corporate governance					



- Financial modeling

Conclusion

- Financing markets are difficult due to number of companies and limited capital for the sector
- More mature companies are looking at options other than traditional Venture Capital
- Strategic Investor market often leads to early M&A deal
- Institutional investors interested in capital gains
- Value of a Placement Agent

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